

## INFORMATION PAPER

CECW-OE-P

9 April 1997

SUBJECT: USACE Logistics Civil Augmentation Program (LOGCAP) Umbrella Contract

1. Purpose. To provide a synopsis of the USACE LOGCAP umbrella contract.

2. Facts.

a. HQDA, ODCSLOG is the proponent for the Army's LOGCAP (AR 700-137). In 1991, LTG Hatch (Commander, USACE) requested LTG Ross's (DA DCSLOG) support (i.e., funding) for development and maintenance of a LOGCAP contract for support to USACE's Army engineer contingency missions, worldwide. At the request of LTG Ross, LTG Hatch agreed to expand the scope of the contract to include logistics services. The cost-plus-award-fee contract was awarded 3 Aug 92 to Brown and Root Services Corporation (BRSC) with one base year and four option years. Since its inception, we have executed nearly \$860M in OCONUS contingency support. The final option year ends on 2 August 1997.

b. USACE developed the contract and is responsible for program management, combatant component command planning coordination, contract management, and execution support. Within USACE, CETAC is responsible for contract management. Planning and execution support is the responsibility of the USACE subordinate commands with OCONUS responsibilities. It is the USACE policy not to use LOGCAP in support of civil disaster operations in the United States.

c. The key to LOGCAP success is in the planning support. The contractor developed worldwide plan explains the contractor's basic operating procedures and how the contractor's operations will support military operations and meet Army standards. During the life of the contract, the contractor has developed country and regionally oriented support plans and special studies. The contractor has participated in CINC and corps-level command post exercises. It is as important for the Army to understand contractor capabilities as it is for the contractor to plan for the most effective way to support the Army.

d. The LOGCAP contractor has supported six OCONUS military operations -- Somalia, Rwanda, Haiti, Saudi Arabia (Vigilant Warrior), Aviano AFB (Operation Deny Flight), and Operation Joint Endeavor/Guard. The LOGCAP contract support for Operation Joint Endeavor/Guard is scheduled to end 26 May 1997. In these operations, the USACE LOGCAP has supported all of the Services and the United Nations.

e. While logistics services have been somewhat more than half the effort, engineering services were usually provided first.

f. Problem areas.

(1) The Army needs to provide better training for its field grade officers in echelons above corps planning and operations. In addition, improvement needs to made staffing MACOMs for

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mission planning and execution. Insufficient Army component command planning has led to significant support delays, over reliance on the contractor, and operational cost increases.

(2) LOGCAP has replaced Wartime Host Nation Support as the virtual solution to all shortfalls. In spite of suggestions to evaluate other contracting mechanisms/solutions to execute support in sustainment operations, the supported commands stay with LOGCAP and the LOGCAP contractor because it takes less of their staff effort and the contractor provides excellent support.

(3) The Army needs to give attention to the integration of the TDA and TOE components into a balanced cohesive force in support of operations. There are still a combination of negative attitudes towards contractors, questions about DA civilians, and lack of knowledge about the TDA Army's missions and capabilities.

(4) Because USACE support is reimbursable, it is perceived as expensive. Most operational (i.e., unit) costs to the Army are transparent to the supported command -- USACE's costs are very visible. Another perception is that USACE charges its usual MILCON S&A or a special surcharge for contingency support. In contingency operations, USACE charges actual costs to customers. These have typically run less than one percent to as high as 3.5% for smaller operations. By law, we require sufficient up front funding to cover our anticipated support requirements and initial deployment of the contractor.

(5) Cost control. At the Pentagon, perceptions about "the expensive LOGCAP contract costs" and implications of contractor "gold plating" are being replaced with the realization that cost control is the responsibility of the commander. The auditors have found little to criticize in terms of USACE contract administration and the contractor's cost management. The real determinant for cost control is the customer's appetite (what does the commander want and how fast does he want it?).

3. This information paper has been approved by MG Russell L. Fuhrman, Director of Civil Works.

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